

In re: : Case No.: 19-24312-GLT
: Chapter: 13
Karen Lee Golik :
:
:
Date: 9/9/2020
Debtor(s). : Time: 09:00

PROCEEDING MEMO

MATTER: #16 - Confirmation of Chapter 13 Plan Dated December 2, 2019
#27 - Objection by Bank of America, N.A.
#33 - Objection by Wilmington Savings Fund Society, FSB

APPEARANCES:
Debtor: Justin Schantz
Trustee: Owen Katz
BOA: Charles Wohlrab

NOTES: (9:02)

Katz: Case was filed in November 2019, approaching the one year anniversary. The case doesn't appear to be feasible. There's a pay-in-full mortgage that doesn't seem to be fundable. There's a second piece of property with another mortgage. The debtor indicated she wanted to sell that property, but no broker has been engaged. There hasn't been any progress towards a feasible plan.

Court: I see an amended plan was filed yesterday where she indicates she's abandoning the Patton Street property.

Schantz: We had a realtor look at the property and based on her review she thought it couldn't be sold at a dollar amount that would satisfy the mortgage. The other reason we filed an amended plan is that she was just contacted by a friend of hers - the Jeffery Drive property has two living places on it and one of her friends wants to rent the other one from her at an amount of \$1,100-\$1,200/month. I would ask for a continuance to see if that rental could provide enough income.

Court: How long do you think it will take?

Schantz: Just a few weeks, I'm not asking for a long period of time.

Court: What is the calculation needed to satisfy Bank of America?

Schantz: I'm not sure.

Court: It's unclear whether the additional \$1,100/month will be enough to satisfy the claim and we're already in month 10. By my rough calculation the payment would need to be at least \$3,000/month under a 60 month plan.

Schantz: There's a pending motion for relief from stay motion on that property, perhaps we continue this hearing to that date so we can address everything at once. The feasibility would impact that consideration as well.

Wohlrab: My concern is feasibility. To pay off the entire claim within the plan - I would defer to the court re: continuing this hearing.

Court: Well, before the court is the December 2019 plan. And while the feasibility concerns carry over to the amended plan, even if I found this plan not feasible I would give the debtor one last shot. It seems it would be better for the debtor to center the reorganization around the Patton Lane property as opposed to the Jeffery Drive property, but that is the debtor's call, and in doing so, she bears the risk of her choice. As we have a stay relief motion pending for the end of the month, I'll give some time to see if this can be pulled together. It does seem like the pay in full claim is insurmountable based on the available income. I will set the amended plan for an objection period and see where this stands in the global context. Where do we stand on plan payments?

Katz: Periodic payment in excess of the monthly plan payment, she's paid ahead according to our schedules.

Court: She's paid ahead, but the plan is still underfunded to satisfy the secured claim under 1325.

Schantz: I understand the Court's concerns, and at one point I was considering a recent CARES Act extension but that is no longer an option under the Court's recent opinion.

Court: She doesn't have a confirmation order prior to March 27th?

Schantz: Not a final confirmation.

1. Confirmation of Chapter 13 Plan Dated December 2, 2019 [Dkt. No. 16] is DENIED. [Text Order to Issue]

2. The Court shall set an objection deadline for the amended plan filed on September 8, 2020 and set for a contested confirmation hearing to occur at the same time as the hearing on Bank of America's motion for stay relief. [JH to issue]

DATED: 9/9/2020